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ABSTRACT

The paper investigates the potential market segments of an upper division university in transition to 4-year status, and explores selection criteria and the influence of various information sources on the choice of university by the potential target students. Data sources for the study included a survey of 142 freshmen students of whom 120 returned usable responses as well as 250 personal interviews with sophomores graduating from area community colleges and 538 responses from a survey of 1,150 members of this sophomore group. market, defined primarily as the high school population within the primary trading zone, and the existing market, defined as all sophomores enrolled in associate degree programs at the four community colleges in the primary trading area. Criteria for selecting a university and sources of influence on the decision were determined. Marketing strategies for the university were formulated based on the findings of the segmentation analysis and the survey of selection criteria and sources of information/influence. The strategies called for an integration of efforts, adjustments of existing academic programs, the identification of target segments, the selection of appropriate media, and communication of the university's promotional messages effectively to the target audiences. The marketing effort yielded moderate success. Includes 17 references. (JDD)

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EFFECTIVE MARKETING STRATEGIES FLOW FROM SOUND SEGMENTATION DATA

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Population trends show the traditional university market segment declining. This paper investigates the potential market segments of an upper division university in transition to four-year status and explores selection criteria and sources/influence of information on the choice of university by the potential target segments. Marketing strategies consisting of market and promotional strategies were formulated based on the primary objective of increasing enrollment. Results of implementation are reported and analyzed.

INTRODUCTION

Since 1972, when the term marketing was first used in an article on higher education (Krachenberg; Fram), marketing has responded to problems and threats associated with shortfalls in revenue and enrollment. While institutions have been affected differently, most have felt some degree of strain relative to these common problems and threats. The realities of the 80s, so different from the 60s and 70s, have been and continue to be a challenge to university administrators. Although there are divergent opinions as to the right approach to university marketing, it is generally agreed that the application of marketing may be the key for both the over- and under-applied university.

Movement from a seller's to a buyer's market has forced many universities to abandon a production orientation and turn to marketing as a means to avoid the demographers' grim predictions. The demographics are clear, but the implications are less clear. For example, regional or other differences, often masked under national statistics, must be analyzed by smaller universities serving particular populations.

In short, as the baby bust generation grew toward college age, educators realized that maintaining enrollment would mean further penetration of a dwindling market. Consequently, market segmentation and recruiting strategies have gained increased attention. Table I shows the demographic trend.

Table I

Middle Series Population Projection
in Thousands for Ages 18-24

YEAR	POPULATION	YEAR	POPULATION
1980	30,100	1995	23,702
1983	30,080	2000	24,601
1985	28,739	2010	27,655
1988	26,783	2020	25,481
1990	25,794	2030	26,225
1993	24,584	2040	26,489

Source: Current Population Reports, U.S. Department of Commerce, Bureau of the Census, May 1984, pp. 29-105.

Following two decades of steady growth, the traditional college age population segment shows decline from 1980 through 1995. It is then predicted to remain relatively constant for the next 50 years.

The Role of Marketing

Although the development of explicit marketing strategies for higher education is a fairly recent phenomenon, the role and scope of marketing in the administration of universities has become increasingly important. From Fram's (1972) early justification for the application of marketing in higher education to Kotler and Fox's (1985) definitive statement on marketing practice in universities, the message has remained the same: institutions must manage effectively as well as efficiently. Although academic management probably should not be transformed into business management, some business practices are worthy of adoption and adaptation. Along with Cyert (1975), Muller (1981), Reisman (1980), Trachtenberg (1984), and countless others, Fram and Kotler form a significant group who recommend marketing as a means to effectively manage the future of their institutions.

Derek Bok (1982) speaks of controlling market forces and thus improving the university's competitive position. Making a case for the avoidance of "academic myopia," Wofford and Timmerman (1982) conclude that marketing provides the means with which to choose a course of action that is balanced between the institutional mission and the needs and realities of the marketplace. Refining the need for "outward focus" rather than myopic concern for inward improvement of efficiency, Doyle and Newbold state that universities need to focus on "customer needs, not costs per-

credit-hour; ....on adaptation to changing market demand, not maximizing occupancy rates of classrooms" (1980, p.260). They recommend a strategy that recognizes and defines the product/market mix and develops a differential advantage.

Although universities vary in their attitudes toward, and use of, marketing practices, both participants and observers agree that the extent to which marketing is applied at their institution is based on the depth of their perceived marketing problems. Or, to state it differently, university management reaches out to marketing only after the situation becomes acute.

The organizational change required to reposition a university into a marketing organization has been fraught with problems. Not the least is the question of the ethics of adopting marketing. In Florida, however, as stated in the Florida Board of Regents' strategy document, Path To Excellence, marketing is advanced as the function to be used in transforming the university's problems into opportunities (1985). Thus, they publicly encourage the nine state universities to practice marketing.

This practice is, of course, no problem for the system's over-applied flag ship universities, but what does the smallest and least known of the state's nine universities do to advance its offerings? In its best light, marketing "means taking a research-based approach to understanding the needs and aspirations of a diminishing pool of potential candidates and then determining

honestly how best to serve them" (Hoy, 1980, p.96). That summarizes the organizational posture reported here.

Identifying target markets and marketing strategies for four-year institutions has received great attention (Kotler 1985, Lucas 1980), but few studies focus on the marketing requirements of two-year upper division schools in transition to four-year status. This paper describes a practical approach to market segmentation for small colleges and universities in the difficult transition to four-year status and the results of those endeavors.

The Case Setting

In 1965 ground was broken for the sixth of Florida's state universities. Beginning with a cluster college organizational structure (a blending of unlike disciplines within colleges), reorganization in 1979 resulted in a more traditional structure. Today there are three colleges: Arts and Sciences, Business and Education.

Originally an upper-level university (1967), masters degree programs were added in 1969. Legislative authorization for the addition of freshmen and sophomore classes followed in 1983. Fall and Spring enrollment in 1986 exceeded 6,300. Currently, enrollment exceeds 7,800.

PURPOSE

The institution's desire to move to a marketing orientation, while the transition to four-year status was coincidentally

underway, framed the context of the study. Recognizing the need to have sound information for informed decision-making, the following objectives guided the study:

- To identify the university's primary trading zone and its potential market segments.
- To explore selection criteria and sources/influence of information on the choice of schools by the potential target markets.
  a) To understand the emerging freshmen segment through determining what information and programs influenced their decision to attend the university.
  b) To understand the decision criteria of the transfer student segment.
- To formulate marketing strategies for recruitment based on the findings of the identification, exploration and determination processes cited above.

METHODOLOGY

Identification of the primary trading area was determined using a gravitational model approach. This led to a primary trading area defined as extending 100 miles from the university, except where state boundaries raised effective tariff barriers. This definition was confirmed by an extensive review of student records which indicated that greater than 75% of the university's students came from within a vicinity of 100 miles. Specifically,

in the selected year, of the community college students who graduated and subsequently transferred to pursue baccalaureate degrees, 78% of the graduates of the local community college, 70% of the graduates of the community college 50 miles from the university, and 45% of the graduates from each of the colleges 100 miles away from the university, applied to the institution. This finding demonstrates that proximity to the student's permanent home is a major factor in the selection of a university by sophomores. Beyond this boundary there was no relationship between location in the state and attendance at this university.

Within this primary trading zone, the market was segmented by a) high school graduates, b) community college transfers, and c) other markets: military, housewives, professionals, and other non-degree seeking students. As the objectives indicate, emphasis was placed on the first two segments. Recognizing that there may be differences in terms of selection criteria and the relative importance of the source of influence on the two segments, the segments were surveyed separately. The two surveys were conducted at different times.

A sample of 142 freshmen students was selected based on classes of freshmen provided by the Director of Recruiting and Admissions. A cover letter and questionnaire were given to each student in four selected classes. Of the sample of 142, 120 returned usable questionnaires.

There are four community colleges within the primary trading area. Admissions records were used to identify respondents within the market segment. Personal interviews (250) and a mail survey of 1,150 sophomores graduating from community colleges in the primary area were administered. A total of 556 questionnaires were returned. Of those, 538 complete surveys were actually used for this study.

FINDINGS AND ANALYSIS

Market Segmentation

Although the total class size for entering freshmen annually was initially capped by the state, an emerging segment is the university's freshmen class. These are primarily traditional college aged students who recently received their high school diplomas. This segment was defined as the emerging market and consists primarily of the high school population within the primary trading zone.

The traditional market segment for the upper division is students graduating from the community college system. Given the regional focus of the university, this segment is defined as all sophomores enrolled in A. A. degree programs at the four community colleges in the primary trading area. This market was considered primary and defined as the existing market.

Criteria for Selecting a University

The findings revealed that both segments considered academic

program, quality of faculty, employment opportunities after graduation, and proximity to the university among the most important factors in selecting a university. Freshmen considered university reputation as an important decision factor. In addition, community college transfers rated degree requirements, pre-requisites, tuition and other costs as important factors. Both segments rated climate, sports programs, social life, fraternities and sororities as less important factors in selecting a university.

Source of Influence on the Decision

On the issue of influential sources on respondents' decision in selecting a university, the findings indicate there are differences between the two segments surveyed. Important sources influencing the freshmen selection decision (in order of importance) were the campus visit, correspondence from Admissions, talks with admissions' personnel and faculty, attractiveness of the campus, and friends. Community college transfers' decision to attend a university were most influenced by (in order of importance) the catalog, academic counselor, community college faculty, and friends. Of lesser importance to both segments were mass media and the availability of fraternities and sororities.

MARKETING STRATEGY

Recommended marketing strategies for the university were formulated based on the findings of the segmentation analysis and the survey of selection criteria and sources of information and

influences. These strategies are goal-oriented. The goal is to recruit the largest enrollment within the university's resource limitations while maintaining the current academic standards of the institution. The strategies call for an integration of efforts, adjustments of existing academic programs, the identification of target segments, the selection of appropriate media, and communication of the university's promotional messages effectively to the target audiences.

Postulates for the Development of Recruitment Strategy

The university should concentrate its immediate recruiting efforts on the needs of the students in the primary trading area and then strive to attract students from the state and other regions. Substantial university growth can take place only by tapping the secondary markets.

The application of various recruiting strategies may give the university the edge in meeting enrollment goals, but in the long run the quality of the educational program will be the deciding factor in the institution's success.

There should be a genuine concern for attracting the student who will be right for the institution. At the same time, attention must be placed on internal development so that the institution will be right for the student. Furthermore, every effort must be made to avoid gimmickry and other techniques that might produce short-range successes and undermine the institution's academic integrity.

Integration of Effort: A Total University Approach

A total university approach should be established where the resources of the university can be marshalled into a concentrated and coordinated effort. To this end, an Office of Enrollment Management (OEM) was established to develop a master plan channeling and unifying the recruitment efforts of the various segments of the university. This office, along with the entire university community was made mindful of its neighbors and new competitors. Upper-division universities expanding into four-year programs face the problem of competing with their best customers, the community colleges that serve as their feeder system.

The OEM set goals for the types and number of students the institution wanted and launched a modest effort to obtain them. This effort benefitted from the cooperation of many offices of the university, as well as volunteers, alumni and friends.

The OEM recommended the allocation of resources for the recruitment effort and designated persons with primary responsibility for each of its market segments, by location. These assignments led to definitive targets; e.g., a particular community college, minority groups, etc. Quotas were established to permit the monitoring of performance in each market.

Message Used/Selling Points of the University

The plan recognized that the message must be consistent with the strong selling points of the university and designed to be

informative and persuasive. A central theme was developed and incorporated in all media presentations -- primarily print media. The central theme focussed on the university's academic programs and the quality of the faculty.

Communication with the freshmen segment. Along with the central theme, a university lifestyle was promoted to this group. The following activities were implemented to better address this segment.

- High school graduates in the primary trading area were identified by name and by school.
- High school visitation programs were implemented for admissions officers and other appropriate representatives. The goal of these visits was to communicate to potential candidates the diversity and quality of academic programs and the campus environment.
- Weekend campus visitation programs were implemented so that interested seniors could visit the campus, talk with admissions staff, and visit with representatives of academic programs. A systematic and proactive program of communication with these potential candidates then proceeded.

Communication with community college transfer segment. Research indicated that the interests of this group were somewhat different from their freshman counterparts. Therefore, specific messages were developed in the following areas:

- Employment opportunities. Individual academic departmental brochures incorporating information about specific areas of employment opportunities for graduates, the employment history of alumni, and information provided by the Placement Office were developed and utilized.
- Tuition, costs and financial aid. With one out of every five students in this study concerned with financial considerations, the university emphasized the absolute and relative costs of attending the university, and the availability and amounts of financial aid.
- Degree requirements and pre-requisites. Communications stressed the care the university takes in reviewing each student's admittance to the university, portraying flexibility and a desire to work with each student.

RESULTS OF THE MARKETING EFFORT

Table II

High School Graduates from the Primary Market
Enrolling at the University
(1981-1987)

YEAR	HS/PM	GP/EC	GA/TU	GE/AU	SHARE**
1981	5655	2622	*	*	0.00%
1982	5344	2602	*	*	0.00%
1983*	5440	2437	134	97	3.98%
1984	4901	2336	281	181	7.75%
1985	4542	2229	300	187	8.39%
1986	4739	2483	317	166	6.69%
1987	4754	2690	364	223	8.29%
TOTAL	35375	17399	1396	854	7.01%

Legend

*	In 1983 the university began admitting freshmen.
**	Market share represents the percentage planning to enter a college and enrolled at the university.
HS/PM	High school graduates from the primary market.
GP/EC	High school graduates planning to enter college.
GA/TU	High school graduates applying to the university.
GE/AU	High school graduates enrolling at the university.

Table III

Community College Graduates in the Primary Market Area
(1981-1987)

YEAR	CCG	GA/TU	PTA	GE/AU	SHARE
81-82	1713	1107	64.6%	907	52.9%
82-83	1412	1196	84.7%	983	69.6%
83-84	1487	1232	82.8%	1020	68.6%
84-85	1300	953	73.3%	897	69.0%
85-86	1217	880	72.3%	728	59.8%
86-87	1317	865	65.7%	697	52.9%
TOTAL	8446	6233	73.8%	5232	61.9%

Legend

CCG	Community College Graduates
GA/TU	Community College Graduates applying to the university.
PTA	Percentage of those applying.
GE/AU	Community College Graduates enrolling at the university.
SHARE	Market Share

As the above tables (II and III) indicate, the marketing effort undertaken by the university yielded moderate success. In the emerging freshmen segment, market share in the primary market area, with the exception of 1986, increased steadily from 3.98 percent in 1983 to 8.29 percent in 1987. In the existing market, the community college transfers, market share in the primary area

also experienced a steady increase from 1981 to 1984, with a reverse trend observed in 1985. Although the marketing plan, its procedures and programs, were considered sound, the administration undertook further study in 1986-87. Questions on the implementation of the marketing plan lingered.

DISCUSSION

This case presents the direct application of marketing principles, e.g., market segmentation, consumer behavior analysis, and marketing strategies, during the transition of a regional upper-level university into a fully formed four-year university. As the data indicates, the application of these principles appeared to work in this case setting. A substantial factor affecting transfer enrollment appears to be the cannibalization that occurred by the newly formed four-year program. Students planning on pursuing four-year degrees were offered a university program as an alternative to the community college in the region beginning in 1983. This correlates chronologically with the drop in transfer enrollment and market share experienced in 1985 when the first freshmen class attained junior status.

However, one has to consider whether the enrollment is wholly a result of the application of marketing or due to external factors such as demographic changes in the primary trading area. For example, the number of high school and community college graduates decreased during the period; and, the economy of the region held

fairly constant.

The study reported here suggests strongly that all of the components of a marketing plan must be appropriate for the objectives to be achieved. A sound plan does not ensure success. The individuals charged to carry out the plan must be effective representatives that match the expectations of the institution, the plan, and the target audience. Although specifics are beyond the scope of this report, further study focussed on institutional image. Significant changes in both structure and those charged to implement the marketing efforts ensued.

The specifics are not available on enrollment by market segment for the last two years' student body. However, aggregate numbers indicate large increases in both freshmen and transfer enrollments. Fall and Spring enrollment in 1986 was approximately 6,300. Currently, university enrollment exceeds 7,800.

CONCLUSION

The marketing plan and its specific strategies has undergone some change, but the basic premises reported here remain. The image of the university has undergone considerable change in the last two years. However, much is left to be accomplished. That the university, with an annual budget of nearly 100 million dollars, has a two-year lag in detailed information about its consumers may be indicative of needed improvements in the marketing of higher education.

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